

Scottish Borders Health & Social Care
Integration Joint Board



Meeting Date:11 June 2018.....

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| Report By | Mr Robert McCulloch-Graham, Chief Officer |
| Contact | Mr David Robertson, Chief Financial Officer, SBC Mrs Carol Gillie, Director of Finance, NHS Borders |
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**MONITORING OF THE HEALTH AND SOCIAL CARE PARTNERSHIP BUDGET
2017/18 AT 31 MARCH 2018**

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| Purpose of Report: | The aim of this report is to provide an overview of the financial position of the Health and Social Care Partnership Budget at 31 March 2018. |
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| Recommendations: | <p>The Health & Social Care Integration Joint Board is asked to:</p> <ol style="list-style-type: none"> a) Note the report and the final outturn monitoring position on the partnership's 2017/18 revenue budget at 31 March 2018. b) Ask the Chief Officer to bring forward a plan to the next meeting of the IJB for delivery of permanent remedial savings to address the recurring resource gap experienced during both 2016/17 and 2017/18 which required additional contributions from partners at the financial year-end. |
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| Personnel: | N/A |
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| Carers: | N/A |
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| Equalities: | There are no equalities impacts arising from the report. |
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| Financial: | <p>No resourcing implications beyond the financial resources identified within the report.</p> <p>The report has been reviewed by the Chief Officer and approved by NHS Borders' Director of Finance and Scottish Borders Council's Chief Financial Officer for factual accuracy. Both partner organisations' Finance functions have contributed to its development and will work closely with IJB officers in delivering its outcomes.</p> |
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| Legal: | Supports the delivery of the Strategic Plan and is in compliance with the Public Bodies (Joint Working) (Scotland) Act 2014 and any consequential Regulations, Orders, Directions and Guidance. A Recovery Plan will be presented to the next meeting of the IJB. The remedial actions it contains in order to address financial pressures across health and social care budgets may impact on the ability to deliver the partnership's strategic and commissioning plans |
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| Risk Implications: | To be reviewed in line with agreed risk management strategy. The key risks outlined in the report form part of the draft financial risk register for the partnership. |
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Aim

- 1.1 The aim of this report is to provide an overview of the financial position of the Health and Social Care Partnership Budget at 31 March 2018.

Background

- 2.1 The report relates to the monitoring position on both the budget supporting all functions delegated to the partnership (the "delegated budget") and the budget relating to large-hospital functions retained and set aside for the population of the Scottish Borders (the "set-aside budget").
- 2.2 On the 30th March 2017, the Integration Joint Board (IJB) agreed the delegation of **£140.157m** of resources supporting integrated health and social care functions for financial year 2017/18. At the same time, it noted the proposed budget of **£18.978m** relating to the large hospitals budget set-aside. Within the delegated budget, **£94.490m** related to healthcare functions delegated by NHS Borders and **£45.667m** related to social care functions delegated by Scottish Borders Council.
- 2.3 Since the Financial Statement was approved by the IJB in March 2017, a number of factors have resulted in the revisions to the base budgets supporting delegated and set-aside functions and subsequently their ongoing movement to a revised position. These factors include final grant allocation settlements having been made, intra-organisational budget realignments and additional funding provisions by the Scottish Government. The revised budget positions therefore relating to those functions delegated to the IJB and the large hospital set-aside are currently:

| | 2017/18 Revised Budget £m |
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| Healthcare Functions – Delegated | 105.164 |
| Social Care Functions – Delegated | 46.635 |
| Total Delegated | 151.799 |
| Healthcare Functions - Set-Aside | 24.418 |

- 2.4 Included in the above revised budgets, NHS Borders made an additional contribution at year-end of **£4.230m** to the delegated budget and **£3.792m** to the set-aside budget. Scottish Borders Council made an additional contribution of £0.294m to the delegated budget. Total IJB resources at year-end therefore amounted to **£176.217m**
- 2.5 This report sets out the final outturn monitoring position on both the delegated and set-aside budgets at 31 March 2018, identifying key areas of financial pressure.

Overview of Monitoring Position at 30 June 2017

Delegated Budget

Healthcare Functions

- 3.1 NHS Borders services have experienced exceptional operational pressures during 2017/18. The largest area of financial pressure relates to prescribing and drug costs in delegated services (**£2.3m** adverse at outturn) due to unidentified savings targets, lower than anticipated delivery on Pregablin and Respiratory savings and the increase in cost of drugs in short supply. This continues to be an area of risk due to the volatility of drug prices, the time-lag in the availability of information on drug volumes and cost and the challenges associated with delivering efficiencies.
- 3.2 Additionally financial pressure is also reported at outturn within Community Hospitals (**£0.300m**) and Nursing (**£0.100m**).
- 3.3 Similar to 2016/17, NHS Borders made an additional contribution at year-end of **£4.230m** to the delegated budget. In order to do this, a range of measures were put in place. It is noted that these are largely non-recurring. These included:
- utilisation of contingency funding;
 - the use of balance sheet flexibility;
 - slippage on a number of local delivery plan developments;
 - the use of capital funds to support revenue pressures;
 - additional funding from the IJB linked to the impact of increase numbers of delayed discharges;
 - central funding to support the loss of Northumberland income;
 - A number of control measures linked to areas of discretionary spend including training, travel, equipment and stationery.

Social Care Functions

- 3.4 Health and Social Care services have experienced significant financial pressure in the year, in particular across those services delegated to the Health and Social Care Partnership. These pressures are primarily attributable to demand. The largest area of financial pressure is within the Older People's Service where **£1.425m** of expenditure was incurred in excess of the budget approved by the IJB on 30 March 2017. Despite additional resources having been invested in the Older People's Service during the year, pressures of **£0.613m** have been partially offset by

managed underspends of **£0.319m** within the Joint Learning Disability, Joint Mental Health, and People with Physical Disabilities services.

- 3.5 Across each service where financial pressure is being experienced, there is consistently additional levels of service being commissioned above available budget, either due to a greater number of clients or more intensive care and support being required. Where possible, Health and Social Care services have identified areas where savings can be delivered in order to mitigate these pressures going forward.
- 3.6 Scottish Borders Council made an additional contribution of **£0.294m** to the delegated budget from managed savings delivered across other Council functions not delegated to the IJB.

Large Hospital Budget Set-Aside

- 3.7 At the 31 March 2018, NHS Borders reported an overspend of **£3.792m** on the large hospital budget set-aside.
- 3.8 The key pressure was the continuing requirement throughout the financial year for surge beds to be open due to the level of delayed discharges occupied bed days. . This position was partially offset on a one-off basis by Social Care Funding directed by the IJB totalling **£1.0m** to support the use of surge bed capacity.
- 3.9 The use of agency and bank staff to cover gaps in both medical and nursing rotas and a shortfall in the delivery of required efficiencies also impacted adversely on the financial position.
- 3.10 NHS Borders made an additional contribution at year-end of **£3.792m** to the set-aside budget. This contribution was based on the same non-recurring actions as those that enabled the additional contribution to the delegated budget in 3.3 above.